

# **REAL ID Act Quarterly Report to the Legislature**

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## Preface

This REAL ID Act Quarterly Report has been submitted pursuant to the following language in the Supplemental Report of the 2007 Budget Act for the quarter ending December 31, 2007:

“The department shall report quarterly beginning September 2007, to the Joint Legislative Budget Committee and the appropriate fiscal and policy committees of the Legislature on the status of the federal Real ID Act. Specifically, the department shall report on the status of any federal legislation to amend or repeal the act, as well as federal regulations and funding for the program. The department shall also report on its major activities related to the Real ID act.”

As of December 31, 2007, the U.S. Department of Homeland Security (DHS) had not published the final regulations. According to DHS, the final rules are to be published in early 2008. Pending such time as the final regulations are published, the Department of Motor Vehicles (DMV) will continue its ongoing discussions with DHS to address California’s concerns with the proposed REAL ID requirements and to advocate its position to influence the outcome of the final regulations.

## **Federal Legislation**

The following identifies specific federal legislation on REAL ID that has been introduced and its current status:

### **S. 563: Collins (Maine)**

Amends the REAL ID Act of 2005 to extend the deadline that (1) a state's driver license and identification cards must meet certain minimum federal standards to be accepted by a federal agency; and (2) a state must meet certain minimum verification standards before issuing such licenses or cards. S. 563 also directs the Secretary of the DHS to convene a negotiated rulemaking committee to review and make recommendations as to the promulgated regulations resulting from the revised REAL ID Act pursuant to this legislation.

#### Status

Introduced on February 13, 2007 and was referred to the Senate Committee on Homeland Security and Governmental Affairs on the same day. No other action to date.

### **S. 717: Akaka (Hawaii)**

Identification Security Enhancement Act of 2007 - Repeals the REAL ID Act of 2005 and establishes new requirements. Directs the Secretary of the U.S. Department of Homeland Security to: (1) establish by regulation minimum standards for acceptance of state-issued driver licenses and identification cards by federal agencies; (2) establish a negotiated rulemaking process before publishing such standards; and (3) award grants to states to assist them in conforming to such standards.

#### Status

Introduced on February 28, 2007 and was referred to the Senate Committee on the Judiciary on the same day. No other action to date.

### **H.R. 1117: Allen (Maine)**

REAL ID Repeal and Identification Security Enhancement Act of 2007 - Repeals the Real ID Act of 2005 and established new requirements. Directs the Secretary of the U.S. Department of Homeland Security to: (1) establish by regulation minimum standards for acceptance of state-issued driver licenses and identification cards by federal agencies; (2) establish a negotiated rulemaking process before publishing such standards; and (3) award grants to states to assist in conforming to such standards.

### Status

Introduced on February 16, 2007 and was referred to the (1) House Judiciary; and (2) House Oversight and Government Reform committees. On March 23, 2007, it was referred to the House Subcommittee on Government Management, Organization and Procurement. No other action to date.

### **H.R.1314: Blackburn (Tennessee)**

Photo Identification Security Act - Restricts the forms of individual identification that may be accepted by the federal government or by financial institutions to the following: (1) a Social Security card accompanied by a photo identification card issued by the federal or a state government; (2) a driver's license or identification card issued by a state that is in compliance with the REAL ID Act of 2005; (3) a passport issued by the United States or a foreign government; and (4) a photo identification card issued by the Secretary of DHS.

### Status

Introduced March 5, 2007 and was referred to the (1) House Oversight and Government Reform; (2) House Financial Services; on March 27, 2007, to House Subcommittee on Government Management, Organization and Procurement. No other action to date.

## **Federal Regulations**

Pending release of the final regulations, expected in early 2008, California has continued an ongoing and rigorous dialogue with DHS to express California's concerns with the proposed regulations and to advocate for a more reasonable and cost-effective approach to the REAL ID requirements.

## **Status of Federal Funding**

In 2006, Congress appropriated \$40 million in grant funds to DHS for implementation costs to the states. DHS has allocated approximately \$7 million of those funds to the state of Kentucky for development of a national electronic verification system to verify birth certificates and other vital records pursuant to the Act. An additional \$1.7 million in grant funds were allocated to DHS for the grant program administration costs, leaving a balance of \$31.3 million.

On December 13, 2007, DHS released the REAL ID grant guidelines and application procedures to the states. The remaining \$31.3 million will be distributed in March 2008, via a competitive grant process and may be for either single-state or multi-state projects. Accordingly, in conjunction with the California Department of Public Health, DMV will submit a joint grant proposal to enhance the electronic verification of California birth and death records.

The U.S. Department of Homeland Security Appropriations Act, 2008 (H.R. 2638, introduced June 8, 2007) provides an additional \$50 million in grant funds to assist states in complying with the requirements of the REAL ID Act. Under H.R. 2638, these funds are appropriated to DHS in federal fiscal year 2008. Guidelines for the states to request these grant funds are to be released by DHS during early 2008.

## **Major REAL ID Act Activities**

California continues to plan for release of the final regulations by maintaining ongoing communications with DHS to ensure California's interests are considered in the final rulemaking.

The following activities occurred between October 1, 2007 and December 31, 2007:

- **Ongoing Communication with DHS**

California has continued to meet with DHS officials to further advocate for the state's interests and pursue a more practical and cost effective means of implementing REAL ID. In addition, California representatives have also met with various REAL ID stakeholder groups as part of the planning and preparation activities for REAL ID.

- **Review of the Final Regulations**

Once the final REAL ID regulations are published, DMV will conduct a thorough analysis to assess the impacts to California.